Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

CONFIDENTIAL

PAGE 01 ACCRA 00462 241505Z

44
ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 EB-11 COME-00 STR-08 OMB-01 TRSE-00

INT-08 AID-20 DRC-01 /170 W
---------- 075534
R 241305Z JAN 74
FM AMEMBASSY ACCRA
TO SECSTATE WASHDC 2328
INFO AMEMBASSY LONDON

C O N F I D E N T I A L ACCRA 0462

E.O. 11652: GDS
TAGS: EMIN BGEN PFOR GH
SUBJ: UNION CARBIDE NEGOTIATIONS WITH GOG OVER AFRICAN
MANGANESE COMPANY

REF: A) ACCRA 413; B) STATE 013135

1. SUMMARY. IN SPITE OF FORMAL GOG TURNDOWN OF UCC PROPOSAL AND GOG STATEMENT IT HAS "INITIATED ACTION AIMED AT ASSUMING AN EFFECTIVE GOG INVOLVEMENT IN THE OPERATIONS OF AFRICAN MANAGNESE COMPANY" (REF B), WE CONTINUE RECEIVE AUTHORITATIVE INDICATIONS THAT GOG SEEKS IMPROVED UCC OFFER. END SUMMARY.

2. NRC CHAIRMAN ACHEAMPONG DURING LONG JANUARY 22 CONVERSATION WITH AMBASSADOR (BEING REPORTED IN SEPTELS) SAID DURING DISCUSSION OF AMC THAT THERE WOULD BE NO NATIONALIZATION WITHOUT COMPENSATION, THAT GOG ACTION WOULD STAF WITHIN FRAMEWORK OF LEGALITIES, AND THAT UCC OFFER OF SIX MILLION CEDIS WAS NOT ADEQUATE GIVEN PAST AMC UNDERINVOICING OF PERHAPS 70 MILLION CEDIS.

3. B. K. OTOO, PRINCIPAL SECRETARY, MINISTRY OF LANDS AND MINERAL RESOURCES, WHO SIGNED GOG LETTER TO GEOGHAN (REF B), TOLD EMBASSY POLITICAL OFFICER BRUCE JANUARY 22 IN CONNECTION
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ACCRA 00462 241505Z

AMC THAT MINOR CHEATING BY FOREIGN COMPANIES WAS POSSIBLY TOLERABLE,

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

OR EVEN BIG-SCALE CHEATING BEFORE GHANAIAN INDEPENDENCE, BUT THAT MAJOR CHEATING SINCE INDEPENDENCE WAS NOT ACCEPTABLE, AND THAT UCC OFFER WAS INSUFFICIENT OFFSET TO PAST UNDERINVOICING. WHEN ASKED ABOUT POSSIBLE PARTICIPATION DECREE, OTOO DECLINED TO DENY OR CONFIRM THAT DECREE WAS IN WORKS. (NEITHER PARAS 2 NOR 3 ABOVE PASSED TO UCC LOCALLY.)

4. ASSUMING ACTION PLANNED BY GOG DOVS REFER TO IMMINENT PARTICIPATION DECREE (WHICH IS NOT CERTAIN), MAY BE WORTH RECALLING THAT PREVIOUS PARTICIPATION DECREE FOR ASHANTI GOLDFIELDS AND C.A.S.T.

MINING COMPANIES (NRCD 132 OF DECEMBER 6, 1972), PROVIDING FOR 55 PERCENT TAKEOVER, STATED AS FOLLOWS: "GOVERNMENT SHALL IN ACCORD-ANCE WITH THIS SECTION PAY TO LONRHO AND C.A.S.T. RESPECTIVELY FAIR COMPENSATION IN RESPECT OF THE EQUITY CAPITAL HELD BY THE GOVERNMENT BY VIRTUE OF THIS DECREE." VALUE OF ASSETS, UNDER THAT DECREE, IS "CALCULATED ON THE BASIS OF THEIR NET WRITTEN DOWN VALUE FOR INCOME TAX PURPOSES." WHILE WE SHOULD NOT SPECULATE ON IMPLICATIONS OF A DECREE NOT YET ISSUED, ASHANTI GOLDFIELDS AND C.A.S.T. EXPERIENCE INDICATES NATIONALIZATION WITHOUT COMPENSATION WILL PROBABLY NOT BECOME OVERT GOG OBJECTIVE AND THAT FOLLOWING POSSIBLE DECREE ON PARTICIPATION IN AMC, GOG WOULD PROBABLY INVITE UCC TO DISCUSS RANGE OF AMC PROBLEMS WITH UCC, INCLUDING OPERATIONAL MANAGE-MENT OF MANGANESE MINES AS WELL AS ALLEGED UNDERINVOICING AND COMPENSATION FOR PARTICIPATION.

5. COMMENT. ON APPARENT SHIFT OF GOG TACTICS TO "ACTION AIMED AT ...EFFECTIVE GOG INVOLVEMENT IN OPERATIONS OF AMC" (REF B), IT IS POSSIBLE TO WONDER WHETHER AS RESULT OF SOLICITOR-GENERAL'S (ASANTE'S) REVIEW OF TAX REASSESSMENT (ACCRA 159), DECISION WAS MADE ABOUT JANUARY 10-15 TO GO SLOWNO
PRESSING TAX BILL AND INSTEAD
TO SUMBSUME TAX BILL UNDER COMPENSATION NEGOTIATIONS TO FOLLOW A POSSIBLE PARTICIPATION DECREE. IN ANY CASE, IN VIEW OF P*-2 AND 3 ABOVE, BELIEVE JANUARY 10 GOG LETTER TO GEOGHAN SHOULD NOT BE TAKEN AS NECESSARILY EXCLUDING CONSIDERATION OF A REVISED UCC OFFER OF AN ACROSS-THE-BOARD SETTLEMENT, EVEN AFTER A PARTICPATION
DECREEAC ASSUMING SUCH DECREE AND ATTENDANT PUBLICITY IS EMPERAT.
HADSEL
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ACCRA 00462 241505Z

CONFIDENTIAL

NNN

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MANGANESE, NATIONALIZATION, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ACCRA00462
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: ACCRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740120/aaaaascd.tel
Line Count: 107
Locator: TEXT ON-LINE
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A) ACCRA 413; B) STATE 013135
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 19 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 JUN 2002 by boyleja>; APPROVED <27 DEC 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNION CARBIDE NEGOTIATIONS WITH GOG OVER AFRICAN MANGANESE COMPANY
TAGS: EMIN, BGEN, PFOR, GH, UNION CARBIDE CORP
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005